

**TOP SECRET**

## SECURITY INFORMATION

May 1, 1952

**MEMORANDUM TO: GENERAL WALTER B. SMITH**  
**DIRECTOR OF CENTRAL INTELLIGENCE**  
**WASHINGTON 25, D.C.**

**SUBJECT: Topics for PSB Luncheon-Meeting - May 1, 1952.**

1. As you know, the hearings regarding General Grow and his diary are scheduled to start soon. It would seem useful to have a PSB staff member attend since such attendance would emphasize the enormous psychological implications of the case and would provide first-hand information regarding any possible material that might be used. Although to date the published accounts would suggest that no such material will be forthcoming, I understand from someone familiar with all the facts that there is additional information which might be of some use. I have discussed this with Joe Phillips of the State Department and both he and Howland Sargeant think the idea a good one. If you and the other Board Members agree, I suppose that we would want some sort of written authority from Mr. Foster enabling us to carry out the plan.

2. I have been disturbed by the large amount of public discussion by Government officials regarding tactical "A" bombs. This was particularly noticeable in the TV and radio reports of the last test. My worry is based on the following reasoning: First. Starting with the premise expressed mainly by Senator McMahon, but also by others, that the only preparedness program that the U.S. economy will stand is one concentrated primarily on different types of "A" bombs. Second. Adding to the above premise, the tactical "A" bomb publicity which suggests that the U. S. may soon be in a position to carry out Senator McMahon's thought; and Third. Assuming the above to be true, the U.S. is potentially reaching a point where it might want to withdraw from its long standing position in the U.N. of an inspection system for the control of "A" weapons; or, in other words, with its eggs mainly in one basket, could the U.S. afford to have that basket examined. I realize how far away, as a practical

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matter, such a possibility is, but this is not known by the public, and all the elements of the argument are public knowledge. In fact, I have seen the above inspection conclusion argued in the press. My thought in mentioning this is that although it is a long-range problem, the implications are so serious as to justify some study as to what the U.S. stated position should be both now and in the future as "A" bomb progress continues.

3. At the last formal Board Meeting, it was decided that studies of the Southeast Asia and the Middle East should be undertaken, subject in each case to Board approval of Terms of Reference. Agreement has now been reached with regard to the Middle East, but I understand that the State Department has a few comments to make with regard to the Southeast Asia Terms of Reference. You might want to ask Mr. Bruce about this. I believe that he will be briefed. Attached for your convenience are the proposed Southeast Asia Terms of Reference.

4. Last week at the PSB Luncheon-Meeting, the Board agreed that the East-West Trade Panel should be continued, and it is my understanding that it was also agreed to decide this week whether or not the new proposed Terms of Reference for the Panel are appropriate. General Magruder, for Mr. Foster, and General Balmer, for the Joint Chiefs, have approved. If you and Mr. Bruce are prepared to reach a decision today, it will enable the Panel to begin its functions again. I am attaching for your convenience a copy of the proposed Terms of Reference.

Assuming any or all of the above topics are discussed, I would appreciate it if you could let me know the result.

  
Acting Director

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